

VZCZCXR08723  
OO RUEHCI  
DE RUEHKT #0568/01 0780749  
ZNY CCCCC ZZH  
O 190749Z MAR 07  
FM AMEMBASSY KATHMANDU  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5304  
INFO RUEHB/AMEMBASSY BEIJING PRIORITY 5510  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 5813  
RUEHKA/AMEMBASSY DHAKA PRIORITY 1019  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 3827  
RUEHLO/AMEMBASSY LONDON PRIORITY 5136  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1172  
RUEHCI/AMCONSUL KOLKATA PRIORITY 3276  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2507  
RUEKJCS/SECDEF WASHDC PRIORITY  
RHMFIS/CDR USPACOM HONOLULU HI PRIORITY  
RUEAAIA/CIA WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000568

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/19/2017

TAGS: PGOV PTER ASEC NP

SUBJECT: NEPALI CONGRESS VICE PRESIDENT INSISTS ON CONSTITUENT ASSEMBLY ELECTION BY JUNE

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d)

Summary

¶1. (C) Sushil Koirala, Vice President of Prime Minister G.P. Koirala's Nepali Congress Party (NC), told the Deputy Chief of Mission March 14 that the Government of Nepal (GON) had taken Maoist Supremo Prachanda's allegation of a royalist threat against U.S. officials very seriously. Koirala, who is the Prime Minister's cousin, stated the Constituent Assembly election had to take place by mid-June or might not happen at all. He insisted that the Seven-Party Alliance and the GON were fed up with Maoist abuses; it was time for them to start implementing their peace commitments. If Home Minister Sitaula was unwilling to enforce the law, he might be replaced. Sushil Koirala denied any ambition to serve in the Interim Government.

Government Taking Prachanda's Claim of Threat Seriously

¶2. (C) In his meeting on March 14 with NC Vice President Sushil Koirala, the DCM expressed his appreciation for Prime Minister G.P. Koirala's statement in Biratnagar criticizing as irresponsible Prachanda's March 8 allegation that royalists were plotting to kill U.S. officials in Nepal. Sushil Koirala said that the Prime Minister and the rest of the GON were taking the threat very seriously. The DCM explained U.S. concern that the statement might somehow make it acceptable to royalists as well as Maoists to kill Americans. What the Ambassador most wanted now was for Prachanda to instruct his cadre that they were not to harm U.S. officials or anyone associated with the U.S. Mission. He asked the NC Vice President to convey that message to the Maoist leaders. Koirala agreed to do so, saying the Maoists had not yet produced any evidence. The Maoists had cited as "proof" a CD that a royalist had delivered to several Army bases, but on inspection the CD contained nothing more than clippings of articles about Maoist abuses.

Constituent Assembly Election By June Required

¶3. (C) Sushil Koirala stressed that it was essential for the

Constituent Assembly election to take place in June as agreed. All the parties were insisting on it. If it were postponed, the Prime Minister would be blamed. Nepalis also knew from bitter experience with the King and his predecessors that, if elections were delayed, they might not happen at all. He conceded, however, that time was very short to prepare for elections. The DCM inquired if the Maoists might simply want to join an interim government and postpone elections while they built their power. The NC Vice President admitted that this was possible. It was likely that, in any case, the Maoists wanted to spread their influence through their position in government. The Nepali Congress would have to be cautious about this and strong. One good thing was that once the Prime Minister made up his mind, his mind was set.

Time for Maoists To End Abuses

---

¶4. (C) The NC Vice President complained that the Prime Minister had invited the Maoists into the peace process and had repeatedly made concessions to the Maoists, but gotten nothing in return. The Seven-Party Alliance had taken a series of steps beginning after the People's Movement in 2006 in order to create a positive environment. The time had come for the GON to insist that the Maoists reciprocate. Sushil reported that the Prime Minister had asked him a few days before to pass that firm message. Sushil had told Prachanda that this time a Maoist statement alone would not suffice. There had to be implementation of their commitments. Action must follow. Prachanda had subsequently issued a promise to start returning seized property and the NC had then started hearing reports this was happening, particularly in Mid-West and Far West Nepal where the Maoists had seized the most

KATHMANDU 00000568 002 OF 002

property.

...But No Deadline By Which They Had To Change

---

¶5. (C) The DCM asked if the GON had given the Maoists a deadline to demonstrate changed behavior. Sushil Koirala replied that he had wanted to impose a deadline but "we have to prepare for an election." He proceeded to cite other Maoist abuses that were ongoing -- extortion, targeting of political cadre from other parties, locking up of factories. He described the newly formed Young Communist League as particularly dangerous. All of the parties were insisting that the abuses had to stop. The DCM emphasized that law and order was the foundation of a free and fair election, and that the GON had to take action.

Maoist Arms: "Enough Is Enough"

---

¶6. (C) The NC Vice President remarked that the GON was very serious about stopping the Maoist display of arms: "Enough is enough." Anyone with illegal arms would be apprehended and put behind bars. The Maoists, Koirala claimed, had to deposit all their arms. There was no alternative. Sushil Koirala said that all the parties had criticized Prachanda for his March 12 claim that he had thousands of weapons and combatants outside of UN-monitored cantonments. The Maoist chief was starting to look ridiculous. Koirala stated that if Home Minister Sitaula was not prepared to take decisive action and begin arresting those who had illegal weapons, Sitaula should be replaced.

Interim Government Imminent

---

¶7. (C) Sushil Koirala stated that he expected the Interim Government would be formed very soon. He thought an all-party meeting would be held in a day or two. Before then, the NC Vice President expected the Prime Minister to

meet with each of the parties one-on-one. The DCM and the NC Vice President agreed that it was crucial to maintain unity among the major parties -- the Nepali Congress, the Nepali Congress - Democratic and the Communist Party of Nepal - United Marxist Leninist -- to the maximum extent possible. The parties each had a parochial interest in their own performance at the ballot box, but they were unified in their desire to end Maoist abuses and promote free and fair elections and a strong democracy. The DCM stressed that the major parties had great strength, perhaps more than they realized, especially the capacity to say "no" to the Maoists.

When asked if he planned to join the Interim Government, Sushil Koirala demurred. He cited numerous proffered offices that he had declined in the past. He intended, he said, to stay involved in his party.

Comment

-----

¶8. (C) Nepali Congress Vice President (and PM Koirala's cousin) Sushil Koirala is not the only one who is telling us that the Prime Minister and the other parties are calling for a firm line with the Maoists. Several leaders currently involved in negotiating the code of conduct and the common plan for the Interim Government told the DCM March 13 that they were fed up with Maoist abuses. While the latter group repeated their usual line that they were powerless if the Prime Minister decided to strike a deal with Maoist Supremo Prachanda, more than in the past, their focus was on implementation of past commitments. They noted, for example, that the GON had finally reviewed the peace agreements from November 2006 line by line to see what implementation was lacking. We shall see whether this new seriousness of purpose is reflected in a firm line with the Maoists.

MORIARTY